



General Assembly

February Session, 2016

Raised Bill No. 5231

LCO No. 1168

* _____ HB05231 INS _____ 031716 _____ *

Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT CONCERNING THE RESIDENTIAL PROPERTY CONDITION DISCLOSURE REPORT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 20-327b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2017*):

3 (a) Except as otherwise provided in this section, each person who
4 offers residential property in the state for sale, exchange or for lease
5 with option to buy, shall provide a written residential condition report
6 to the prospective purchaser at any time prior to the prospective
7 purchaser's execution of any binder, contract to purchase, option or
8 lease containing a purchase option. A photocopy, duplicate original,
9 facsimile transmission or other exact reproduction or duplicate of the
10 written residential condition report containing the prospective
11 purchaser's written receipt shall be attached to any written offer,
12 binder or contract to purchase. A photocopy, duplicate original,
13 facsimile transmission or other exact reproduction or duplicate of the
14 written residential condition report containing the signatures of both
15 seller and purchaser shall be attached to any agreement to purchase

16 the property.

17 (b) The following shall be exempt from the provisions of this
 18 section: (1) Any transfer from one or more co-owners solely to one or
 19 more of the co-owners; (2) transfers made to the spouse, mother,
 20 father, brother, sister, child, grandparent or grandchild of the
 21 transferor where no consideration is paid; (3) transfers pursuant to an
 22 order of the court; (4) transfers of newly-constructed residential real
 23 property for which an implied warranty is provided under chapter
 24 827; (5) transfers made by executors, administrators, trustees or
 25 conservators; (6) transfers by the federal government, any political
 26 subdivision thereof or any corporation, institution or quasi-
 27 governmental agency chartered by the federal government; (7)
 28 transfers by deed in lieu of foreclosure; (8) transfers by the state of
 29 Connecticut or any political subdivision thereof; (9) transfers of
 30 property [which] that was the subject of a contract or option entered
 31 into prior to January 1, 1996; and (10) any transfer of property acquired
 32 by a judgment of strict foreclosure or by foreclosure by sale or by a
 33 deed in lieu of foreclosure.

34 (c) The provisions of this section shall apply only to transfers by
 35 sale, exchange or lease with option to buy, of residential real property
 36 consisting of not less than one nor more than four dwelling units
 37 which shall include cooperatives and condominiums, and shall apply
 38 to all transfers, with or without the assistance of a licensed real estate
 39 broker or salesperson, as defined in section 20-311.

40 (d) (1) Not later than January 1, [2013] 2017, the Commissioner of
 41 Consumer Protection shall [, by regulations adopted in accordance
 42 with the provisions of chapter 54,] prescribe the form of the written
 43 residential disclosure report required by this section and sections 20-
 44 327c to 20-327e, inclusive. The [regulations shall provide that the] form
 45 shall include information required under subdivision (2) of this
 46 subsection and information concerning:

47 (A) Municipal assessments, including, but not limited to, sewer or

48 water charges applicable to the property. Such information shall
49 include: (i) Whether such assessment is in effect and the amount of the
50 assessment; (ii) whether there is an assessment on the property that
51 has not been paid, and if so, the amount of the unpaid assessment; and
52 (iii) to the extent of the seller's knowledge, whether there is reason to
53 believe that the municipality may impose an assessment in the future;

54 (B) Leased items on the premises, including, but not limited to,
55 propane fuel tanks, water heaters, major appliances and alarm
56 systems;

57 (C) (i) Whether the real property is located in a municipally
58 designated village district or municipally designated historic district or
59 has been designated on the National Register of Historic Places, and
60 (ii) a statement that information concerning village districts and
61 historic districts may be obtained from the municipality's village or
62 historic district commission, if applicable; [.]

63 (D) Environmental matters such as lead, radon, subsurface sewage
64 disposal, flood hazards and, if the residence is or will be served by
65 well water, as defined in section 21a-150, the results of any water test
66 performed for volatile organic compounds and such other topics as the
67 commissioner may determine would be of interest to a buyer;

68 (E) If the property is located in a common interest community,
69 whether the property is subject to any community or association dues
70 or fees;

71 (F) Whether, during the seller's period of ownership, there is or has
72 ever been an underground storage tank located on the property, and, if
73 there is or was, if it has been removed. If such underground storage
74 tank has been removed, such seller shall state when it was removed,
75 who removed it and shall provide any and all written documentation
76 of such removal within the seller's possession and control;

77 (G) Whether the seller is aware of any prior or pending litigation,
78 government agency or administrative action, order or lien on the

79 premises related to the release of any hazardous substance;

80 (H) Whether there are smoke detectors and carbon monoxide
81 detectors located in a dwelling on the premises, the number of such
82 detectors, whether there have been any problems with such detectors
83 and an explanation of any such problems.

84 (2) Such form of the written residential disclosure report shall
85 contain the following:

86 (A) A certification by the seller in the following form:

87 "To the extent of the seller's knowledge as a property owner, the
88 seller acknowledges that the information contained above is true and
89 accurate for those areas of the property listed. In the event a real estate
90 broker or salesperson is utilized, the seller authorizes the brokers or
91 salespersons to provide the above information to prospective buyers,
92 selling agents or buyers' agents.

T1 (Date) (Seller)
T2 (Date) (Seller)"

93 (B) A certification by the buyer in the following form:

94 "The buyer is urged to carefully inspect the property and, if desired,
95 to have the property inspected by an expert. The buyer understands
96 that there are areas of the property for which the seller has no
97 knowledge and that this disclosure statement does not encompass
98 those areas. The buyer also acknowledges that the buyer has read and
99 received a signed copy of this statement from the seller or seller's
100 agent.

T3 (Date) (Seller)
T4 (Date) (Seller)"

101 (C) A statement concerning the responsibility of real estate brokers
102 in the following form:

103 "This report in no way relieves a real estate broker of the broker's
104 obligation under the provisions of section 20-328-5a of the Regulations
105 of Connecticut State Agencies to disclose any material facts. Failure to
106 do so could result in punitive action taken against the broker, such as
107 fines, suspension or revocation of license."

108 (D) A statement that any representations made by the seller on the
109 written residential disclosure report shall not constitute a warranty to
110 the buyer.

111 (E) A statement that the written residential disclosure report is not a
112 substitute for inspections, tests and other methods of determining the
113 physical condition of property.

114 [(F) Information concerning environmental matters such as lead,
115 radon, subsurface sewage disposal, flood hazards and, if the residence
116 is or will be served by well water, as defined in section 21a-150, the
117 results of any water test performed for volatile organic compounds
118 and such other topics as the Commissioner of Consumer Protection
119 may determine would be of interest to a buyer.]

120 [(G)] (F) A statement that information concerning the residence
121 address of a person convicted of a crime may be available from law
122 enforcement agencies or the Department of Emergency Services and
123 Public Protection and that the Department of Emergency Services and
124 Public Protection maintains a site on the Internet listing information
125 about the residence address of persons required to register under
126 section 54-251, 54-252, 54-253 or 54-254, who have so registered.

127 [(H) If the property is located in a common interest community,
128 whether the property is subject to any community or association dues
129 or fees.

130 (I) Whether, during the seller's period of ownership, there is or has

131 ever been an underground storage tank located on the property, and, if
132 there is or was, if it has been removed. If such underground storage
133 tank has been removed, such seller shall state when it was removed,
134 who removed it and shall provide any and all written documentation
135 of such removal within the seller's possession and control.]

136 [(J)] (G) A statement that the prospective purchaser should consult
137 with the municipal building official in the municipality in which the
138 property is located to confirm that building permits and certificates of
139 occupancy have been issued for work on the property, where
140 applicable.

141 [(K)] (H) A statement that the prospective purchaser should have
142 the property inspected by a licensed home inspector.

143 [(L) A question as to whether the seller is aware of any prior or
144 pending litigation, government agency or administrative action, order
145 or lien on the premises related to the release of any hazardous
146 substance.

147 (M) Whether there are smoke detectors and carbon monoxide
148 detectors located in a dwelling on the premises, the number of such
149 detectors, whether there have been any problems with such detectors
150 and an explanation of any such problems.]

151 (e) (1) On [or] and after January 1, [1996] 2017, the Commissioner of
152 Consumer Protection shall make available the residential disclosure
153 report form prescribed in accordance with the provisions of this
154 section and sections 20-327c to 20-327e, inclusive, to the Division of
155 Real Estate, all municipal town clerks, the Connecticut Association of
156 Realtors, Inc., and any other person or institution that the
157 commissioner believes would aid in the dissemination and distribution
158 of such form. The commissioner shall also cause information
159 concerning such form and the completion of such form to be
160 disseminated in a manner best calculated, in the commissioner's
161 judgment, to reach members of the public, attorneys and real estate

162 licensees.

163 (2) The commissioner shall submit any recommendations for
164 material changes to the form of the written residential disclosure
165 report to the joint standing committee of the General Assembly having
166 cognizance of matters relating to real estate. No such changes to the
167 form shall be effective unless enacted by the General Assembly, except
168 the commissioner may update the form each October first to correct
169 any technical errors in or make format changes to such form.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>January 1, 2017</i>	20-327b
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INS *Joint Favorable*